

### **307 KAR 1:005. Applications for Kentucky Incentive Programs.**

RELATES TO: KRS 154.12-100, 154.20-234-154.20-236, 154.20-255-154.20-256, 154.26-080, 154.27-020-154.27-030, 154.30-030-154.30-060, 154.31-020-154.31-030, 154.32-020-154.32-030, 154.34-070, 154.60-020

STATUTORY AUTHORITY: KRS 154.12-100(2), 154.20-033(1)(b), 154.20-236(3), 154.20-256(11), 154.26-080(1), 154.27-030(10), 154.30-030(2)(b), 154.31-030(2), 154.32-030(2)(a), 154.34-070(2), 154.60-030

NECESSITY, FUNCTION AND CONFORMITY: KRS 154.12-100(2), 154.20-236(3), 154.20-256(11), 154.26-080(1), 154.27-030(10), 154.30-030(2)(b), 154.31-030(2), 154.32-030(2)(a), 154.34-070(2), and 154.60-030 authorize the Kentucky Economic Development Finance Authority to establish additional procedures and standards for the application process for various incentive programs. KRS 154.20-033 authorizes the Kentucky Economic Development Finance Authority to impose fees in conjunction with the application process. This administrative regulation incorporates by reference the applications for economic development incentives and establishes the fee structure.

Section 1. Application Process for Kentucky Business Investment (KBI) Program. In addition to the requirements of KRS 154.32-030, the applicant shall provide:

- (1) All information required by the Application for Kentucky Business Investment (KBI) Program;
- (2) An application fee in the amount of \$1,000; and
- (3) An administrative fee equal to one-fourth (1/4) of one (1) percent of the incentive amount authorized in the tax incentive agreement up to a maximum of \$50,000.

Section 2. Application Process for Kentucky Enterprise Initiative Act (KEIA) Program. In addition to the requirements of KRS 154.31-030, the applicant shall provide:

- (1) All information required by the Application for Kentucky Enterprise Initiative Act (KEIA); and
- (2) An application fee in the amount of \$500.

Section 3. Application Process for Kentucky Economic Development Bond (EDB) Program. In addition to the requirements of KRS 154.12-100, the applicant shall provide all information required by the Application for Economic Development Bond (EDB).

Section 4. Application Process for Kentucky Angel Investment Tax Credit Program. In addition to the requirements of KRS 154.20-234, the applicant shall provide:

- (1) For qualified small businesses:
  - (a) All information required by the Application for: Kentucky Angel Investment Act Qualified Small Business Certification; and
  - (b) A non-refundable application fee of twenty-five (25) dollars;
- (2) For qualified investors:
  - (a) All information required by the Application for: Kentucky Angel Investment Act Qualified Investor Certification; and
  - (b) A non-refundable application fee of twenty-five (25) dollars; and
- (3) For applicants seeking a qualified investment:
  - (a) All information required by the Application for: Kentucky Angel Investment Act Qualified Investment; and
  - (b) A non-refundable application fee of \$250.

Section 5. Application Process for Incentives for Energy Independence Act (IEIA) Program. In addition to the requirements of KRS 154.27-030, the applicant shall provide:

(1) All information required by the Kentucky Economic Development Financing Authority (KEDFA) Application for Incentives for Energy Independence Act (IEIA) Tax Incentive Program;

(2) An application fee of \$1,000; and

(3) Upon final approval and execution of the tax incentive agreement, an administrative fee equal to one-fourth (1/4) of one (1) percent of the incentives authorized in the tax incentive agreement, not to exceed \$50,000. This administrative fee shall be exclusive of any expert consultant or legal fees that may be due, pursuant to the application required by subsection (1) of this section.

Section 6. Application for Kentucky Small Business Tax Credit (KSBTC) Program. In addition to the requirements of KRS 154.60-020, the applicant shall provide:

(1) All information required by the Application for Kentucky Small Business Tax Credit (KSBTC) Program; and

(2) A non-refundable application fee equal to one (1) percent of the qualifying tax credit amount.

Section 7. Application Process for Tax Increment Financing (TIF) Program. In addition to the requirements of KRS 154.30-030, the applicant shall provide:

(1) All information required by the Application for Kentucky Tax Increment Financing (TIF) Program;

(2) An application fee in the amount of \$1,000; and

(3) Prior to final approval, an administrative fee equal to one-fourth (1/4) of one (1) percent of the final, authorized incentive amount, up to a maximum of \$50,000. This administrative fee shall be exclusive of any expert consultant or legal fees that may be due pursuant to the application required by subsection (1) of this section.

Section 8. Application Process for Kentucky Industrial Revitalization Act (KIRA) Tax Credit Program. In addition to the requirements of KRS 154.26-080, the applicant shall provide:

(1) All information required by the Application for Kentucky Industrial Revitalization Act (KIRA) Program;

(2) A non-refundable application fee of \$500; and

(3) An administrative fee equal to one-tenth (1/10) of one (1) percent of the final KIRA amount authorized in the KIRA Agreement. This administrative fee shall be exclusive of any legal fees that may be due for preparation of the KIRA agreement and pursuant to the application required by subsection (1) of this section.

Section 9. Application Process for Kentucky Investment Fund Act (KIFA) Tax Credit Program. In addition to the requirements of KRS 154.20-255, the applicant shall provide:

(1) All information required by the Application for Kentucky Investment Fund Act (KIFA) Tax Credit Program;

(2) A non-refundable application fee of \$1,000;

(3) A one (1) time administrative fee equal to one-tenth (1/10) of one (1) percent of the total approved tax credits at the time of execution of the KIFA Agreement and prior to its effectiveness; and

(4) An annual fee of one-tenth (1/10) of one (1) percent of the fund's allocated tax credits.

Section 10. Application Process for Kentucky Reinvestment Act (KRA) Program. In addition to the requirements of KRS 154.34-070, the applicant shall provide:

- (1) All information required by the Application for Kentucky Reinvestment Act (KRA) Program;
- (2) An application fee in the amount of \$1,000; and
- (3) Prior to final approval, an administrative fee equal to one-fourth (1/4) of one (1) percent of the final KRA amount authorized in the KRA Agreement up to a maximum of \$50,000. This administrative fee shall be exclusive of any legal fees that may be due for the preparation of the KRA Agreement and pursuant to the application required by subsection (1) of this section.

Section 11. Incorporation by Reference. (1) The following material is incorporated by reference:

- (a) "Application for Kentucky Business Investment (KBI) Program", 7/2015;
  - (b) "Application for Kentucky Enterprise Initiative Act (KEIA)", 7/2015;
  - (c) "Application for Economic Development Bond (EDB)", 7/2015;
  - (d) "Application for: Kentucky Angel Investment Act Qualified Small Business Certification", 7/2015;
  - (e) "Application for: Kentucky Angel Investment Act Qualified Investor Certification", 7/2015;
  - (f) "Application for: Kentucky Angel Investment Act Qualified Investment", 7/2015;
  - (g) "Kentucky Economic Development Finance Authority (KEDFA) Application for Incentives for Energy Independence Act (IEIA) Tax Incentive Program", 6/2011;
  - (h) "Application for Kentucky Small Business Tax Credit (KSBTC) Program", 6/2015;
  - (i) "Application for Kentucky Tax Increment Financing (TIF)" Program, 6/2015;
  - (j) "Application for Kentucky Industrial Revitalization Act (KIRA) Program", 1/2009;
  - (k) "Application for Kentucky Investment Fund Act (KIFA) Tax Credit Program", 10/2014;
- and
- (l) "Application for Kentucky Reinvestment Act (KRA)", 7/2015.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. (39 Ky.R. 359; 767; eff. 11-2-12; 42 Ky.R. 857; 1729; eff. 1-4-2016.)